

PAC told to probe suspicious 1MDB profits
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Opposition Leader Anwar Ibrahim has urged the parliamentary Public Accounts Committee (PAC) to probe 1Malaysia Development Bhd's (1MDB) "suspicious" earnings.

Anwar said he had conveyed his request to the PAC in writing today, explaining that the suspicion was raised in the audit report by international firm KPMG.

Among others, he said PAC must probe if 1MDB had issued government-backed bonds to finance its RM3.5 billion investment in 1MDB PetroSaudi Ltd.

He said PAC should also probe 1MDB's decision to divest its shares in 1MDB PetroSaudi Ltd in just five months for RM4.1 billion, which brought in profits of RM615 million.

"This means there was a 17.6 percent return or 42 percent based on annualised rate of return," said Anwar, explaining that the RM4.1 billion would be paid in stages until 2023.

Anwar said the PAC probe is crucial because Prime Minister Najib Abdul Razak (left) is the 1MDB advisor and also the finance minister.

He added that PAC's scrutiny is necessary as 1MDB will issue more bonds in the future and it is also managing the Sungai Besi air base project, one of the most valuable piece of real estate in the country.

During the debate on the Supplementary Supply Bill 2011 on Monday, Anwar had told the Dewan Rakyat that 1MDB is expected to issue up to RM15 billion worth of government-guaranteed bonds by 2013.

He said that this was worrying as the company had posted a suspicious RM425 million net profit on March 31, 2010 after its first year of operations.

"The announcement ... is highly questionable because, upon closer inspection, its financial statement shows that its profits were not from its actual investments or business operations but through paper shuffling," he added.